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NATIONAL INTELLIGENCE DAILY CABLE

Saturday 9 September 1978 CG NIDC 78/211

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**NATIONAL SECURITY INFORMATION**  
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National Intelligence Daily Cable for Saturday, 9 September 1978.

The NID Cable is for the purpose of informing senior US officials.

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## IRAN: Muslims Press the Shah

25X1 [ ] Radical forces within Iran's Muslim fundamentalist opposition are forcing the pace of events in Tehran, where 58 protesters were killed yesterday in clashes with troops. Muslim militants apparently are following general, if not specific, instructions from Ayatollah Khomeini, exiled in the mid-1960s to Baghdad for activity against the Shah. Directives from moderate clergymen urging restraint are having no observable effect.

25X1 [ ] Khomeini, whose photograph is frequently seen prominently displayed by Muslim protesters, has become increasingly strident in the past few weeks in his calls for the overthrow of the Shah. The Shah is clearly concerned about Khomeini and has tried to persuade the Iraqi Government to rein him in.

25X1 [ ] The Shah appears to have concluded that he must reassert his authority and crack down on religious-instigated demonstrations, which have racked the country for the last eight months. The Shah's decision to declare martial law yesterday in Tehran and several other cities was made in response to large-scale protest marches Thursday staged in defiance of a government ban on demonstrations.

25X1 [ ] Perhaps the most difficult problem facing martial law authorities is how to handle any further illegal demonstrations without firing on the demonstrators.

25X1 [ ] The latest reporting indicates that curfews and other restrictions issued under martial law are being fairly well observed in the capital and other cities where they have been imposed.

25X1 [ ] There are new indications that Iranian terrorists may be trying to add fuel to the civil unrest. Two terrorist operations on Wednesday, one targeted against a police installation 25X1 and the other against a bus carrying British nationals, were apparently designed to demonstrate the terrorists' support for Muslim-instigated protests against the Shah's rule. [ ]

LEBANON: Situation Report

*Fighting between Syrian troops and Christian militiamen in East Beirut resumed last night, according to press reports, when militiamen attacked a Syrian position. The militia leadership remains divided over what strategy to pursue in the struggle with the Syrians.*

The sporadic fighting in Beirut since late August has been centered in the Christian district of Ayn Rummanah--a Phalangist stronghold--and the Christian suburbs southeast of the capital. Neither side appears to want the fighting to get out of hand at this time, but the clashes are likely to continue.

The Maronite Christian community in Lebanon clearly is becoming alarmed about its situation. Tens of thousands of refugees have flooded into the diminishing areas under Christian control since early July; the population is becoming restless and urging the militia leadership to "do something."

NICARAGUA: Strike Letting Up

*//The effectiveness of the national strike in Nicaragua appears to be waning. Commercial activity could*

[redacted]

*return to normal in the course of the coming week if there are no new guerrilla actions to give the movement new impetus. As the domestic challenge eases at least temporarily, President Somoza will be increasingly concerned about growing international interest in the Nicaraguan situation.//*

25X1 [redacted] //Many businessmen hope that the strike can last through next Friday, but a few enterprises are already beginning to reopen and the month-and-a-half-long hospital workers' strike has apparently been settled. The end of the national work stoppage is being hastened by government countermeasures, business reluctance to incur major economic losses, and the virtual absence of guerrilla activities.//

25X1 [redacted] //The fading of the strike will not deflect the opposition from its goal of ousting Somoza. Few oppositionists expected the strike to topple the government, and it never had clearly defined realistic objectives.//

25X1 [redacted] //Moderate opposition leaders are concerned that Somoza's tenacity will encourage recourse to radical alternatives. Some moderates, consequently, may be more inclined than before the strike to begin tentative discussions with the government, but the opposition as a whole is not likely to change its basic position of "no dialogue."//

25X1 [redacted] //The decline in the strike will boost Somoza's confidence, but he is concerned about the possibility of international involvement in his country. Venezuelan President Perez, Somoza's most active hemispheric critic, has asked for the Organization of American States to convene a meeting of foreign ministers to look into Nicaraguan developments. Costa Rican President Carazo is conferring with Honduras, El Salvador, and Guatemala about the possibility of offering Central American mediation to the opposing sides in Nicaragua.//

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[redacted]

YUGOSLAVIA-ROMANIA-USSR: Tensions

*The Soviets continue to indicate their displeasure over Chinese Party Chairman Hua Kuo-feng's visit to Romania and Yugoslavia. Thus far, Belgrade is more the target of Soviet ire than Bucharest.*

On Monday, Moscow indefinitely postponed a visit to Yugoslavia by candidate Politburo member Mikhail Solomentsev scheduled for Thursday. The Yugoslavs do not accept the official explanation that Solomentsev has a "busy schedule" and believe the postponement is in reaction to Hua's visit. On Tuesday TASS issued a lengthy summary of a highly critical Albanian commentary on Hua's Balkan travels.

A Yugoslav diplomat in Moscow asserts that the recent flurry of anti-Yugoslav polemics has the support of certain leaders in the Kremlin. He added, however, that aside from the Solomentsev postponement other bilateral contacts have not been disturbed.

A sign of the Yugoslav regime's unease over Moscow's reaction is its failure to issue an official assessment of the Hua visit. Such an assessment may be held up until after the Soviets comment on the current trip to Peking and Cambodia by Yugoslav Chief of Staff Potocar. TASS has already expressed Moscow's suspicion that Potocar might conclude a military agreement with China.

Yesterday President Tito, in his first comment on the Soviet reaction, expressed surprise at Moscow's verbal attacks on Yugoslavia and Romania. He argued that China's present international stance is "positive and useful," and that the time was right for Belgrade's reconciliation with Peking.

The Soviets have been less acerbic in their comments on the Chinese leader's visit to Romania, and they have refrained from attacking President Ceausescu personally. Nevertheless, Bucharest has felt obliged to rebut "insinuations" that the visit had any anti-Soviet connotation. In a major speech on Wednesday, Ceausescu responded to Soviet sniping over Hua's alleged designs in the Balkans by declaring his own opposition to any "intrigues" that might endanger peace in the area.

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SPAIN-CUBA: Official Visit

*Spanish Prime Minister Suarez arrives in Cuba today for a two-day official visit. The stop in Havana, following three days in Venezuela, is part of Spain's continuing effort to promote close ties with its former colonies; it does not signal a move closer to Communist countries. Conversations will focus primarily on economic matters.*

Suarez may also see a domestic political angle in the Cuban stopover, expecting that his reception in Havana will do no harm to his democratic-progressive credentials and will keep Socialist leader Gonzalez and Communist chief Carrillo from monopolizing ties with Havana. The visit may also assuage left-ists unhappy with the announcement that King Juan Carlos will visit Argentina in November.

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[ ] The Cubans will welcome Suarez's visit as an indication of the Castro regime's respectability despite its military involvement in Africa. Cuba is likely once again to request transit rights in the Canary Islands for its flights to Africa. Spain has rebuffed past Cuban overtures, fearing that the Cubans would use these flights to transport troops.

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[ ] The major focus of the discussions, however, will be economic. Despite a major commercial agreement in 1974 that granted Cuba \$900 million in trade credits, bilateral trade has fallen nearly 40 percent since 1975 to \$311 million last year. Spain, nonetheless, remains Cuba's second most important non-Communist trading partner, and Cuba is Spain's second largest export market in Latin America. Both sides would like to expand the relationship.

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[ ] Achieving any significant increase in trade will be difficult. Spain has become self-sufficient in sugar--Cuba's major export commodity--and in any case Spain has been pushing hard to reduce the price it pays for Cuban sugar to conform more closely with the world price. Shortfalls in Cuban tobacco production may cause serious delays in deliveries of Havana's second most important export product. [ ]

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#### FRG: Hijacker Prosecution

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[ ] *//Allied and West German officials have made little headway in settling the jurisdictional dispute over who should try the East Germans responsible for the hijacking late last month of a Polish airliner. US efforts to turn over responsibility to West Berlin authorities have been stymied by British and French concerns over Allied rights and by West German fears of complicating inner-German relations. Bonn also worries that a lenient verdict by Berlin authorities could encourage Eastern counteractions and damage its efforts to gain international acceptance of the antihijacking declaration issued in July at the summit meeting in Bonn.//*

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[ ] *//The West German Government faces a dilemma. On the one hand, it favors a tough line toward the hijackers to show its support for the antihijacking declaration and to counteract recriminations by the USSR, Poland, and East Germany, which have demanded the hijackers' extradition.//*

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[ ] //On the other hand, the government's domestic position may suffer if the hijackers receive severe sentences. The public sees the hijackers as political refugees. The opposition parties will doubtless take a similar position, even though they generally favor a tough law-and-order stance.//

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[ ] //Chancellor Schmidt is also aware that the trial of East German citizens in a West Berlin court would increase tensions with East Germany. Soviet criticism would also accompany a Berlin court trial, given Moscow's view that extension to Berlin of West German ratifications of the Hague and Montreal conventions, which require local authorities either to prosecute or extradite hijackers, represents an impermissible exercise of West German sovereignty over West Berlin.//

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[ ] //The French and British, like the West Germans, would like to see a strict sentence imposed by a specially convened US court, which in their opinion has at least concurrent jurisdiction over air traffic in its sector. With the exception of the US, neither the allies nor the West Germans have yet mentioned that if the Berlin courts do not assume jurisdiction, 25X1 Western efforts to strengthen West German - Berlin ties will be diluted. All parties, however, agree that a unified allied position must be maintained. [ ]

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#### BOLIVIA: Pereda's Election Game

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[ ] *The issue of rescheduling a presidential election continues to dominate the political scene in Bolivia as opposition parties try to force President Pereda's hand.*

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[ ] All major political parties have rejected Pereda's earlier offer to hold an election in January 1980. They are demanding instead that he set a firm date for an election early next year and that he initiate major electoral reforms. So far,

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Pereda has refused to be bound by a specific time-table---especially one that would immediately make him a lame-duck---although he has reiterated his intention to lead the nation toward democracy.

Pereda is clearly on the defensive, and his hold on power remains tenuous. The opposition parties have not only seized the initiative but have also called international attention to their cause. If he remains unresponsive, Pereda will find it more difficult to build support for his government at home and to get badly needed international loans and other economic assistance. These pressures could force him to become less stubborn on the timing of an election.

The military, whose backing is key to Pereda's survival, is divided on the election issue. While the majority of officers--especially those in top positions--apparently are against the idea of holding an election anytime soon, many younger field-grade officers are dissatisfied with the current leadership in both the government and military.

Junior officers twice tried to overthrow the previous administration, and Pereda may attempt to appease them either by replacing some of his civilian advisers with military technocrats or by moving the election date forward.

CZECHOSLOVAKIA: Emigration

25X1 [ ] *Some Czechoslovak dissidents, in reaction to the unabating pressure of police surveillance and other harassment, are thinking of leaving the country.*

25X1 [ ] A signatory of the dissident Charter 77 manifesto has told the US Embassy that 30 to 50 people associated with the Chartist movement may soon seek to leave Czechoslovakia. Among these are Charter spokesperson Marta Kubisova and her husband, who are considering immigration to the US. Kubisova indicated several months ago that she will be stepping down as spokesperson this autumn.

25X1 [ ] The Czechoslovak authorities offered in early 1977 to let dissidents emigrate and will probably continue this policy as a means of draining the strength of the movement. Few dissidents, however, have taken the option and, in any event, the departure of even as many as 50 signatories little involved in dissident activism would not seriously weaken the movement. [ ]

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